

ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES

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September 9, 2005

Western States Petroleum Association

Re: Letter of Interpretation for September 1, 2005 RVP and Sulfur Waiver

The Arizona Department of Weights and Measures (ADWM) is issuing this written clarification of a waiver issued by the Department, dated September 1, 2005, regarding the Reid Vapor Pressure (RVP) gasoline requirements and the sulfur limit on on-road diesel fuel.

This ADWM waiver has been issued to facilitate the following objectives:

- 1. Initiate the shipment of Eight-Pound RVP transition fuel into Area A earlier than originally scheduled. Based upon the ADWM waiver, and the extended wavier that will be issued by the U.S. Environmental Protection Agency (EPA), Eight-Pound RVP fuel can be brought into area A, effective immediately and is effective through September 30, 2005.
- 2. ADWM intends to provide refineries with a higher level of flexibility. Toward this goal, ADWM will allow shipments of 10-pound RVP for use in the Tucson Area and all portions of Arizona outside of Area A. The supplier of this 10-pound product must be able to demonstrate that the Vapor-Liquid Ratio (V/L) for this 10-pound product will meet American Society for Testing and Materials (ASTM) requirements.
- 3. This waiver is only applicable to the Volatile Organic Compounds (VOC) reduction requirements, the RVP for Gasoline, and the Sulfur content for diesel. All other fuel quality requirements remain in effect.
- 4. The Sulfur standard for on-road diesel is waived until September 15, 2005. Any inventories that remain after this date **cannot** be replenished. All inventories of high-sulfur fuel in fuel dispensing systems must be depleted after this date. Remaining inventories of high-sulfur diesel in terminal tankage may be offered for sale and use outside of Area A as non-road diesel fuel only.
- 5. Fuel specifications for summer Clean-Burning Fuel (CBG), and ASTM specifications for conventional fuel, differ only in the RVP limit, and the requirement to meet the minimum 25% reduction in VOC emissions.
- 6. ADWM is working with EPA to obtain an extension of the EPA waiver for gasoline. Such an extension would be designed to allow industry to take full advantage of these waivers and ease supply issues for Arizona's consumers and businesses.
- 7. The blending of ethanol into CBG at this time will not trigger the oxy oversight program, which is intended for blending of ethanol with a sub-octane AZRBOB. CBG is a full octane product and it is not an issue for CBG.

Sincerely,

At Macrat St.

Director